



Stat of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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September 10, 2001

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 9453

Tony J. Rudman, Esq.
Magnesium Corporation of America
238 North 2200 West
Salt Lake City, Utah 84116-2921

Re: Additional Information Request, Magnesium Corporation of America (MagCorp), Rowley Facilities (Stansbury Basin Facilities), M/045/008, Tooele County, Utah

Dear Mr. Rudman

In a letter dated April 26, 2001, the Division asked MagCorp for some detailed information describing the current status of operations at the Rowley Facilities. This information was requested to assist the Division in determining the adequacy of the current amount of reclamation surety. The current \$15,278 surety estimate was last escalated in 1979 to 1984 dollars. The 1984 estimate is long overdue for a detailed assessment. The Division has not received sufficient information to satisfy this request. A complete response is necessary to help us perform a periodic review of this permit.

Specifically, item #3 of our April 26th letter, requested a description of the current surface disturbances, and the mining and reclamation activities associated with the oolitic sands extraction. MagCorp's May 3, 2001, submittal failed to provide this information. Please provide current, detailed information describing the areas currently and historically impacted by Magcorp's oolitic sands mining activities. We request an updated map of suitable scale (1 inch = 500 feet, minimum; 1 inch = 250 feet, preferred) which identifies the reclaimed and unreclaimed acreage. Township, Range and Section lines should also be drawn on the map(s) to assist in interpreting the actual location of the mining and processing related facilities

The last correspondence received regarding the status of the Knolls oolitic sands property was the 2000 Year Annual Report. The report indicated that no mining disturbance or reclamation has occurred since 1996 and 50 acres of existing disturbance remains unreclaimed. Previous years reports give some conflicting information concerning the amount of disturbance associated with the oolitic sands mining operation (see attached summary sheet). Confirmation of the existing conditions and an accurate acreage assessment is requested. The Division would like to schedule an inspection of the project areas associated with this permit sometime before the end of October, 2001. Please let us know what dates would be workable for you or your staff.

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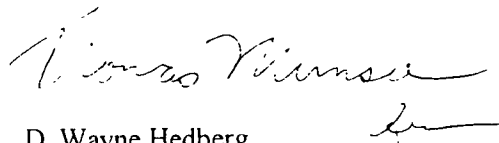
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Tony Rudman
M/045/008
September 10, 2001

On March 9, 2001, the Division received a letter from Mr. Tony Rudman in response to the Division's October 5, 2000, letter requesting updated information on the Knolls Solar Ponds. Under item #5 of this letter, reference was made to several items (attachments) related to the Stansbury Island facilities. The first item was an 11 X 14 inch drawing, entitled: Stansbury Basin Solar Ponds Dike Systems, attached as exhibit C (drawing No. RA-904-84, date illegible). On May 7, 2001, we received a copy of an enlarged map of the Stansbury Basin solar pond system (drawing No. AB-904-2, dated 12/92). Is this map intended to supercede drawing RA-904-84? Drawing RA-904-84 is very difficult to read because of its reduced scale.

Upon comparison of these two maps, we noted significant differences in the labeling of specific features and in the level of detail shown on the maps. Drawing AB-904-2 lacked a map "legend" to assist the reviewer in identifying the location, different types and total number of features shown on the map (e.g., head gates, flumes, ditches, canals, dikes, roads, buildings, product stockpiles, pipelines, powerlines, etc.). A map scale was also missing which makes it nearly impossible to determine the size and length of the features, or the amount of area affected by the mining operation. Please revise this map to reflect all the manmade features that may not currently be identified on this map

Once we receive the above requested information, we hope to complete our assessment of the current mining conditions conducted under the Rowley large mine permit and the adequacy of the existing reclamation bond. Please provide this information within 60 days of receipt of this letter. If you have any questions regarding this information request, please contact Tom Munson at (801) 538-5321, or me at 538-5286. Thank you for your cooperation and assistance in resolving this matter

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment: Summary Sheet
cc: Lee Brown, MagCorp
Mary Ann Wright, OGM
Kurt Seel, OGM
Tom Munson, OGM
M45-08.let2.doc

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**MAGCORP ANNUAL REPORT INFORMATION
SUMMARY (1991 – 2001)**

KNOLLS SOLAR PONDS – M/045/022
(prepared by OGM 9/4/01)

YEAR	NEW ACREAGE	ACRES RECLAIMED	BALANCE DISTURBED ACRES	COMMENTS
1991	-	-	-	Production 94.19 mil gallons MgCl2 brine
1992	-	-	-	226.79 mil gallons MgCl2 brine
1993	N/A	N/A	N/A	71.74 mil gallons MgCl2 brine
1994	N/A	N/A	N/A	74.00 mil gallons MgCl2 brine
1995	N/A	N/A	N/A	240.00 mil gallons MgCl2 brine
1996	N/A	N/A	N/A	6.2 billion gallons MgCl2 brine
1997	N/A	N/A	N/A	4.4 billion gallons MgCl2 brine
1998	N/A	N/A	N/A	35.7 mm gallons MgCl2 brine
1999	N/A	N/A	N/A	19.6 mm gallons MgCl2 brine
2000	N/A	N/A	N/A	No Activity - No production
2001*	N/A	N/A	N/A	No Activity - No Production * (best guess??)

**MAGCORP ANNUAL REPORT INFORMATION
SUMMARY (1991 – 2001)**

ROWLEY MAGNESIUM FACILITY – M/045/008
(prepared by OGM 9/04/01)

<i>YEAR</i>	<i>NEW ACREAGE</i>	<i>ACRES RECLAIMED</i>	<i>BALANCE DISTURBED ACRES</i>	<i>COMMENTS</i>
1991	-	40 - 45	5 - 10	Depleted reserves, move north to new area in 1992
1992	30	~ 20	25 - 30	New area opened, NW/4 T2N, R8W Sec3
1993	20 - 25	~ 20	45 - 50	NW/4 T2N, R8W Sec3 (Cont'd.)
1994	15 - 20	10 - 15	60 - 65	Sec 33 & 34, T3N R8W – moved to new claims
1995	14 or 34 (??) conflict in #'s reported on form	12 - 15	35	Moving W by NW in SW/4 Sec 33, T3N R8W & Sec 4, T2N R8W
1996	~ 30	~ 15	~ 65	NW/4 NW/4 Sec 33, T3N R8W, Map also provided of 95-96 disturbances
1997	-	-	65	<i>No Activity – No production</i>
1998	-	-	50	<i>No Activity – No production</i>
1999	-	-	50	<i>No Activity – No production</i>
2000	-	-	50	<i>No Activity – No production</i>
2001*				<i>No Activity – No production * (best guess ??)</i>